

Areawide Public Utility Contract

For

Electric, Regulated Energy Management Services, and
Services Provided under the Appropriate Regulatory
Authority

Contract No. GS-00P-14-BSD-1052

between the

United States of America

and

ARIZONA PUBLIC SERVICE COMPANY

Franchised Service Areas in Central Arizona

Negotiated Areawide Contract
No. GS-00P-14-BSD-1052
between the
United States of America
And
ARIZONA PUBLIC SERVICE COMPANY
TABLE OF CONTENTS

<u>Article</u>	<u>Page</u>
Preamble and Whereas Clauses.....	1
1. Definitions.....	1
2. Scope and Duration of Contract.....	3
3. Existing Contracts.....	4
4. Authorization Procedure and Service Disconnections.....	4
5. Rates, Charges, and Public Regulation.....	5
6. Bills and Billing Data.....	6
7. Payments for Services.....	6
8. Contractor-Owned Meters.....	6
9. Equipment and Facilities.....	7
10. Liability.....	7
11. Access to Premises.....	8
12. Parties of Interest.....	8
13. Representations and Certifications.....	8
14. Supplemental Clauses.....	9
15. Small Business Subcontracting Plan.....	12
16. Notices.....	13
17. Reporting.....	13
18. Utility Energy Services Contracts.....	13
19. Miscellaneous.....	15
Signatures.....	16
Certificate.....	17
Authorization for Electric Service.....	Exhibit A
Authorization for Energy Management Service.....	Exhibit B
Authorization for Services Provided under the Appropriate Regulatory Authority.....	Exhibit D

NEGOTIATED AREAWIDE CONTRACT
No. **GS-00P-14-BSD-1052**

BETWEEN THE
UNITED STATES OF AMERICA
AND
ARIZONA PUBLIC SERVICE COMPANY

THIS AREAWIDE CONTRACT FOR ELECTRIC SERVICES, ENERGY MANAGEMENT SERVICES, AND SERVICES PROVIDED UNDER THE APPROPRIATE REGULATORY AUTHORITY is executed this 13th day of December, 2013, between the UNITED STATES OF AMERICA, acting through the Administrator of General Services (hereinafter referred to as the "Government"), pursuant to the authority contained in 40 U.S.C. 501(b)(1), and Arizona Public Service Company, a corporation organized and existing under the laws of the State of Arizona, and having its principal office and place of business at 400 North Fifth Street, Phoenix, Arizona 85004 (hereinafter referred to as the "Contractor"):

WHEREAS, the Contractor is an electric public utility company that is regulated by the Arizona Corporation Commission and the Federal Energy Regulatory Commission;

WHEREAS, the Contractor now has on file with the Arizona Corporation Commission and/or with such other regulatory bodies as may have jurisdiction over the Contractor (hereinafter referred to collectively as the "Commission") all of its effective tariff, rate schedules, riders, rules and regulatory terms and conditions of service, as applicable;

WHEREAS, with some exceptions, the Government is generally required by Chapter 1 of Title 48 of the Federal Acquisition Regulation (FAR), 48 CFR 41.204, to enter into a bilateral contract for electric and/or energy management services at each Federal facility where the value of the utility service provided is expected to exceed \$150,000 per year;

WHEREAS, where the Government has an Areawide Contract in effect with a particular utility then such utility service is normally to be procured thereunder;

WHEREAS, the Contractor and the Government mutually desire that this Areawide Contract be used by the agencies of the Government in obtaining electric utility services, energy management services and/or services provided under the Appropriate Regulatory Authority from the Contractor and to facilitate partnering arrangements as encouraged and authorized by 10 U.S.C. 2911-2918 and 42 U.S.C. 8256;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained,
the parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1. As used in this contract,

(a) the term "**Agency**" means any Federal department, agency, or independent establishment in the executive branch of the Government, any establishment in the legislative or judicial branches of the Federal Government, or any wholly or mixed ownership Government corporation, as defined in the Government Corporation Control Act, a list of which Agencies may be found by searching the document entitled ADM 4800.2H, dated June 2013, on the General Services Administration website;

(b) the term "**Appropriate Regulatory Authority**" means the Arizona Corporation Commission and/or such other regulatory bodies as may have jurisdiction over the Contractor (hereinafter referred to collectively as the "Commission").

(c) the term "**Areawide Contract**" means this master contract entered into between the Government and Contractor to cover the utility service acquisitions of all Federal agencies in the franchised certificated service territory from Contractor for a period not to exceed ten (10) years;

(d) the term "**Authorization**" means an order form used to acquire services under this Areawide Contract (see Exhibit "A" AUTHORIZATION FOR ELECTRIC SERVICE, Exhibit "B" AUTHORIZATION FOR ENERGY MANAGEMENT SERVICE and/or Exhibit "D" AUTHORIZATION FOR THE PROVISION OF SERVICES PROVIDED UNDER THE APPROPRIATE REGULATORY AUTHORITY) annexed hereto;

(e) the term "**Class of Service**" or "**Service Classification**" means those categories of service established by the Contractor's Tariff as filed with the Commission; and

(f) the term "**Connection Charge**" means a Contractor's charge for facilities on the Contractor's side of the delivery point which facilities (1) are required to make connections with the nearest point of supply and (2) are installed, owned, maintained, and operated by the Contractor in accordance with the Contractor's Tariff and the Commission's rules and regulations;

(g) the term "**Contractor's Tariff**" means the Contractor's Utility Service Tariffs, and includes rate schedules, covenants, riders, rules, regulations, and regulated terms and conditions of service as may be modified, amended or supplemented by the Contractor from time to time and approved by the Commission;

(h) the term "**Contractor's Terms and Conditions**" for this Agreement, means the generic terms, conditions, policies, procedures, payment terms established by the Contractor for those services that are provided pursuant to this Contract, and as such, may be modified, amended, or supplemented by the Contractor from time to time, that are under the Commission's jurisdiction, but are not required to be approved by the Commission before they take effect. The definition of "**Terms and Conditions**" shall not include price-related matters or contract terms developed for specific Authorizations;

(i) the term "**Electric Service**" means regulated electric commodities (where applicable), transportation, distribution, and/or related services;

(j) the term "**Energy Conservation Measure**" ("**ECM**") means any specific energy related or water project intended to provide energy savings and/or demand reduction in Federal facilities (Reference Article 18 herein);

(k) the term "**Energy Management Service**" ("**EMS**") means any project that reduces and/or manages energy demand in a facility as well as those services that determine whether such reductions are feasible (such as energy audits and any ancillary services necessary to ensure the proper operation of the ECM). Such measures include, but are not limited to, operating, maintenance and commissioning services. (Energy Conservation Measure and Demand side Management Measure are considered equivalent terms, and may result from Energy Management Services.) To be considered an EMS measure, the measure must satisfy all of the following requirements:

1. the EMS measure must produce measurable energy reductions or measurable amounts of controlled energy and/or water use;
2. the EMS measure must be directly related to the use of energy or directly control the use of energy or water;
3. the preponderance of work covered by the EMS measure (measured in dollars) must be for Items 1 and 2 above; and
4. the EMS measure must be an improvement to real property.

(l) the term "**Extension Fee**" means a Contractor's charge for facilities on the Contractor's side of the delivery point which facilities (1) are required to make connections with the nearest point of supply and (2) are, in accordance with the Terms of Service, installed, owned, maintained and operated by the Contractor.

(m) the term "**Ordering Agency**" means any Agency that is authorized to and obtains Utility Services under this Areawide Contract;

(n) the term "**Service**" means any electric and/or energy management services generally available from the Contractor pursuant to Contractor's Tariff or the Contractor's Terms and Conditions, whichever is applicable;

(o) the term "**Termination Authorization**" means an order form used by the Government to notify the Contractor that the Government wants to discontinue or disconnect a specific utility service provided under this Contract, where the Authorization for Utility Services does not otherwise specify how Utility Services are to be terminated. (SEE EXHIBIT "A" AUTHORIZATION FOR ELECTRIC SERVICE, EXHIBIT "B" AUTHORIZATION FOR ENERGY MANAGEMENT SERVICE and/or EXHIBIT "D" AUTHORIZATION OR THE PROVISION OF SERVICES PROVIDED UNDER THE APPROPRIATE REGULATORY AUTHORITY);

(p) the term "**Terms of Service**" means the Contractor's Tariffs, and the rules and regulations adopted by the Commission that apply to the Contractor's services.

(q) the term "**Utility Service**" means any Electric service, ECM, Energy Management Services and/or Services provided under the Appropriate Regulatory Authority that are generally available from the Contractor pursuant to Contractor's Tariff or the Contractor's Terms and Conditions, whichever is applicable.

1.2. This Article is hereby expanded to include the additional definitions contained in FAR Clause 52.202-1, Definitions (JULY 2004), 48 C.F.R. 52.202-1, which are incorporated herein by reference.

ARTICLE 2. SCOPE AND DURATION OF CONTRACT

2.1. This Areawide Contract shall be in effect on and after the date of execution and shall continue for a period of ten (10) years, except that the Government, pursuant to the clause contained in FAR 52.249-4 (Termination for Convenience of the Government (Services)(Short Form)(April 1984)) (48 C.F.R. 52.249-4), incorporated into this Areawide Contract under Article 14, or the Contractor, upon sixty (60) days written notice to the Government, and without liability to the Government or any Ordering Agency, may terminate this Areawide Contract, in whole or in part, when it is in their respective interest to do so. Neither the stated duration of this Areawide Contract nor any other termination of it, in whole or in part, shall be construed to affect any obligation for any payment, charge, rate, or other matter that may be imposed pursuant to the Contractor's tariff, Contractor's Terms and Conditions or in any Authorization entered into pursuant to this Areawide Contract.

2.2. Authorizations may be executed under this Areawide Contract at any time during the term of this Areawide Contract, up to and including the last effective date. The term of the Authorization shall be for a term of up to ten (10) years that is independent of the term of this Areawide Contract provided this contract is superseded by a follow-on contract with the Contractor.

2.3. The provisions of this Areawide Contract shall not apply to the Contractor's service to any Agency until both the Ordering Agency and the Contractor execute a written Authorization. After both the Government and Contractor have signed the Authorization, the Contractor will furnish to the Ordering Agency, and the Ordering Agency will purchase from the Contractor, the specific Utility Services described in the Authorization for the installation(s), facility(ies) or services that are named in the Authorization.

2.4. Nothing in this Areawide Contract shall be construed as precluding the Ordering Agency and the Contractor from entering into an Authorization for negotiated rates or service of a special nature, provided such negotiated rates or service are in accordance with the rules and regulations of the Commission, if applicable.

2.5. This Areawide Contract may be used by an Ordering Agency to obtain electric services that are offered by Contractor, as further described in 40 U.S.C. Section 591, to the extent it is applicable, (quoted here in relevant part): "A department, agency, or instrumentality of the Federal Government may not use

amounts appropriated or made available by any law to purchase electricity in a manner inconsistent with State law governing the provision of electric utility service...”.

To facilitate an Ordering Agency obtaining services under Contractor's standard agreements for utility service, an Exhibit "D" has been included in this Areawide Contract. This Exhibit "D" is designed so it also can be used by an Ordering Agency when Contractor, in its sole discretion, has elected to entertain a change requested by the Ordering Agency to Contractor's standard terms and conditions for utility service and Contractor has sought review and received approval, if required, by the Appropriate Regulatory Authority.

ARTICLE 3. EXISTING CONTRACTS

3.1. The parties agree that an Agency currently acquiring service from the Contractor under a separate written contract may continue to do so until that contract expires or until such time as the Agency and the Contractor mutually agree to terminate that separate written contract and have such service provided pursuant to this Areawide Contract by executing an appropriate Authorization or Authorizations.

3.2. Existing special rates and services of a special nature currently provided under a separate written contract may be continued under the Authorizations described in Article 3.1 if requested by the Ordering Agency and agreed upon by the Contractor.

ARTICLE 4. AUTHORIZATION PROCEDURE AND SERVICE DISCONNECTION

4.1. To obtain or change service under this Areawide Contract, the Ordering Agency shall complete the appropriate Authorization and forward it to the Contractor. Upon the request of the Ordering Agency, the Contractor shall endeavor to provide reasonable assistance to the Ordering Agency in selecting the service classification which may be most favorable to the Ordering Agency. Upon execution of an Authorization by both the Contractor and the Ordering Agency, the date of initiation or change in service shall be effective as of the date specified in the Authorization. In the event a date is not specified in the Authorization as the effective date, the date in which the Authorization was signed by the Ordering Agency shall be the effective date of the Authorization. An executed copy of the Authorization shall be transmitted by the Ordering Agency to U. S. General Services Administration, ("GSA") at the address provided in Article 16.1.

4.2. During the term of this Areawide Contract, effective Authorizations need not be amended, modified, or changed by an Ordering Agency to reflect changes in: accounting and appropriation data, the Contractor's Tariff requirements, the Contractor's cost of purchased fuel, or the estimated annual cost of service. Such changes are considered internal to the party involved. Where changes are required in effective Authorizations because of a change in the service requirements of an Ordering Agency, an amended Authorization shall be mutually agreed upon and executed.

4.3. An Ordering Agency or the Contractor may discontinue service provided pursuant to this Areawide Contract to a particular Federal facility or installation by delivering a written Termination Authorization to the other. Such discontinuance of service by an Ordering Agency or the Contractor shall be requested using a termination authorization as defined in Article 1.1(o) of this Areawide Contract, and shall be implemented in accordance with the Contractor's Tariff, Contractor's Terms and Conditions, or as otherwise provided under a particular Authorization.

4.4. In the event this Areawide Contract is not renewed at the expiration of the contract term, any active Exhibit "B" Authorization for EMS shall be cancelled unless it is modified to incorporate the general terms and conditions of the current contract and the term extended to the required contract term specified in the Authorization.

4.5 The Contracting Officer of the Authorization shall review the clauses in Article 14 and include the relevant clauses in the Exhibit "A" AUTHORIZATION FOR ELECTRIC SERVICE, Exhibit "B" AUTHORIZATION FOR ENERGY MANAGEMENT SERVICE and/or Exhibit "D" AUTHORIZATION FOR THE PROVISION OF SERVICES PROVIDED UNDER THE APPROPRIATE REGULATORY AUTHORITY.

ARTICLE 5. RATES, CHARGES, AND PUBLIC REGULATION

5.1. A complete listing of all the Contractor's Tariffs are available to the Government and any Ordering Agency electronically at the Contractor's website accessible via the tariff link on the website entitled <http://www.aps.com/en/ourcompany/ratesregulationsresources/serviceplaninformation/Pages/business-sheets.aspx> (subject to the website's availability and terms and conditions of use.)

5.2. Subject to the provisions of Article 2.3, all utility and/or EMS purchases under this Areawide Contract, as well as any other actions taken under this Areawide Contract, shall be in accordance with, and subject to, the Contractor's Tariff, except to the extent that same are preempted by Federal law. Throughout the term of this Areawide Contract, the Government shall have full access to the Contractor's currently effective Tariffs. In the event the Contractor's Tariff becomes inaccessible via the internet or the Ordering Agency does not have access to the internet, the Contractor upon Government's request, agrees to provide newly effective or amended Tariff in accordance with the Contractor's Tariff distribution practices, policies and procedures applicable to all customers.

5.3. If, during the term of this Areawide Contract, the Commission approves a change in rates for utility service obtained under an Authorization in effect hereunder, the Contractor agrees to continue to furnish, and the Ordering Agency agrees to continue to pay for, those Utility Services at the newly approved rates from and after the date such a rate change is made effective. As provided in Article 4.2, modification of any Authorization hereunder is not necessary to implement higher or lower rates.

5.4. The Contractor hereby represents and warrants to the Government that: 1) the Utility Service rates available to any Ordering Agency hereunder; 2) charges for the matters or services referenced in Article 5.6 below; and 3) any other charges for services provided pursuant to the Contractor's Tariff; shall, at all times, not exceed those available to any other customer served under the same service classification, for the same or comparable service, under like conditions of use or circumstances. Nothing herein shall require the Contractor to apply a utility service rate that is inapplicable to the Ordering Agency.

5.5. Reasonable written notice via an Authorization shall be given by the Ordering Agency to the Contractor, at the address provided in Article 16.2, of any material changes proposed in the volume or characteristic of utility services required by the Ordering Agency.

5.6. To the extent required by the Contractor's Tariff or the Contractor's Terms and Conditions, and in accordance therewith, any necessary extension, alteration, relocation, or reinforcement of the Contractor's transmission and/or distribution lines, related special facilities, service arrangements, EMS (including any rebates to which the Ordering Agency may be entitled), energy audit services, or other Utility Services required or requested by an Ordering Agency shall be provided and, as applicable, billed for, by the Contractor.

5.7. To the extent available from the Contractor, the Contractor shall provide and, as applicable, bill for technical assistance on or concerning an Ordering Agency's equipment (such as the inspection or repair of such equipment) as may be requested by such Ordering Agency. The charges for such technical assistance shall be calculated at the time the technical assistance is rendered in accordance with the Contractor's applicable billing schedule in effect at the time the technical assistance is rendered (except as otherwise mutually agreed upon by the Contractor and Ordering Agency in writing), and the assistance shall comply with Contractor's Tariff, if applicable.

5.8. The Authorization used to obtain and provide the matters, Utility Services, or technical assistance described in Articles 5.6 and 5.7 above shall contain information descriptive of the matters, services, or technical assistance required or requested, including the amount of (or method to determine) any payment to be made by the Ordering Agency to the Contractor for the provision of said matters, services, or technical assistance.

5.9. Any charges for matters or services referenced in Article 5.6 hereof which are not established by the Contractor's Tariff shall be subject to audit by the Ordering Agency for a period of three (3) years after

the provision of matters or services is rendered. Payment for the matters and services referenced in Article 5.6 shall not be unreasonably withheld or denied.

5.10. The requirements of the Disputes clause, FAR 52-233-1 are supplemented to provide that matters involving the interpretation of the Contractor's Tariff and Contractor's Terms and Conditions are subject to the jurisdiction and regulation of the Commission..

ARTICLE 6. BILLS AND BILLING DATA

6.1. The Utility Services supplied hereunder shall be billed to the Ordering Agency at the address specified in each Authorization. Bills shall be submitted in the same manner as provided to other customer's of the Contractor, unless otherwise specified and mutually agreed to in the Authorization. All bills shall contain such data as is required by the Commission to substantiate the billing, and such other reasonable and available data as may be requested by the Ordering Agency, provided that such other data are contained in bills provided to other customers of the Contractor served under the same service classification as the Ordering Agency.

ARTICLE 7. PAYMENTS FOR SERVICES

7.1. With the exception of the payments described in Article 7.3 herein, payments hereunder shall not be paid in advance of services rendered, except as required by Contractor's Tariffs. The Ordering Agency shall effect payment of all bills for Utility services rendered under this Areawide Contract in accordance with the terms of the Contractor's currently effective payment provisions of the Contractor's Tariff. For services subject to Contractor's Tariffs, a late charge of one and one-half percent (18 percent annually) will be assessed upon the unpaid balance. Changes in the Contractor's Tariff provisions for the payment of bills shall supersede the provisions of this paragraph.

7.2. The Ordering Agency will make invoice payments for services not subject to the direct oversight or approval of the Commission in accordance with the provisions of the FAR Subpart 52.232-25 (Prompt Payment) (OCT 2008)(see Article 14). The interest rate for late payments made pursuant to this clause shall be computed in accordance with the Office of Management and Budget prompt payment regulations at 5 C.F.R. 1315.

7.3. All payments hereunder shall not normally be made in advance of services rendered in accordance with FAR Subpart 32.4 (Advance Payment for Non-Commercial Items) unless required by the Contractor's Tariff, or allowed by the Commission. The applicability of this provision is limited to connection charges, line extensions, and/or other payments specifically cited and provided for in the Contractor's Tariff and/or approved by the Commission.

7.4. Each payment made by Treasury check to the Contractor shall include the Contractor's billing stub(s), or a Government or Ordering Agency payment document that clearly and correctly lists all of the Ordering Agency's account numbers to which the payment applies and the dollar amount applicable to each account. If payment is by Electronic Funds Transfer either through the Automated Clearing House (ACH) or the Federal Reserve Wire Transfer System, the provisions of FAR Subpart 52.232-34 (Payment by Electronic Funds Transfer) (MAY 1999) shall apply (See Article 14) and the Ordering Agency must specify the method of payment and the designated payment office on the Authorization form.

ARTICLE 8. CONTRACTOR-OWNED METERS

8.1. Metering equipment of standard manufacture suitable to measure all Utility Services supplied by the Contractor hereunder shall be furnished, installed, calibrated and maintained by the Contractor at its expense. In the event any meter fails to register or registers incorrectly, as determined by the regulations of the Commission, billing adjustments shall be made in accordance with such regulations.

8.2. The Contractor, so far as possible, shall read all meters monthly in accordance with the Contractor's Tariff and the Commission's regulations.

8.3. Meters shall be inspected upon installation at no direct charge to the Ordering Agency. Subsequent inspection, periodic testing, repair, and replacement of meters shall be done in such place

and manner as provided by the Commission's regulations. Upon notice that a meter is failing to register correctly, the Contractor shall take immediate steps to effect replacement or repair. Ordering Agencies shall have the right to request a meter test in accordance with the procedures prescribed in the Commission's regulations. The tests and applicable meter accuracy standards are those set forth in the Commission's regulations. The expense of meter tests shall be borne by the party designated as responsible therefore in the Commission's regulations.

8.4. For the purposes of this Article, references to meters shall apply only to Contractor-owned metering devices installed and maintained by the Contractor in accordance with Commission guidelines for regulated Utility Service(s). References to meters under this Article shall not apply to meters that are to be installed by the Contractor at the request of an Ordering Agency, to be owned by the Government as a part of an Authorization for EMS or other service.

ARTICLE 9. EQUIPMENT AND FACILITIES

9.1. Subject to the provisions of Article 5.6 hereof, the responsibility for owning, furnishing, installing, and maintaining all equipment and facilities (other than meters) required to supply service at the delivery point(s) specified in an Authorization shall be determined in accordance with the Contractor's regulated Tariff. The Ordering Agency shall provide, free of charge to the Contractor, mutually agreeable locations on its premises for the installation of meters and such other equipment furnished and owned by the Contractor and necessary to supply service hereunder. The Contractor shall, at all times during the life of this Areawide Contract, operate and maintain at its expense such equipment or facilities as for which it has responsibility in accordance with this Article 9.1, and shall assume all taxes and other charges in connection therewith, unless otherwise billable to or the responsibility of the Ordering Agency as set forth in the Commission's regulations or the Contractor's Tariff. Notwithstanding anything to the contrary in FAR 52.241-5 (Contractor's Facilities (FEB 1995)), to the extent required by the Contractor's Tariffs and the Commission's rules and regulations, and in accordance thereof, such equipment and facilities for which the Contractor has responsibility in accordance with this Article 9.1 may be removed or abandoned in place. In both cases, the Agency's premises shall be restored within a reasonable time after discontinuance of service to the Ordering Agency in accordance with Contractor's Tariff and the Commission's rules and regulations.

9.2. All necessary rights-of-way, easements and such other rights necessary to permit the Contractor to perform under this contract shall be obtained and the expense for same borne in accordance with the Contractor's Tariff and the Commission's rules and regulations.

ARTICLE 10. LIABILITY

10.1. If the Government and/or an Ordering Agency has limited or restricted the Contractor's right of access under Article 11 and thereby interfered with the Contractor's ability to supply service or to correct dangerous situations which are a threat to public safety, Contractor shall be excused from any contractual or service obligations that are impacted by the Government's limitation or restriction on access and the Government shall be responsible for any liability resulting from such restricted or limited access to the extent permitted by law and authorized by appropriations. This Article 10.1 shall not be construed to limit the Government's liability under applicable law.

10.2. The Contractor's liability to the Government and to any Ordering Agency for any failure to supply service, for any interruptions in service, and for any irregular or defective service shall be determined in accordance with the Contractor's Tariff.

10.3. The Government shall be solely responsible for all claims, liability, costs, reasonable attorneys' fees, litigation or settlement costs, loss, injuries, or damages of any kind or nature resulting from any Government negligence or willful misconduct arising out of or connected with its installation, use, operation or removal of the Equipment, all utility and/or EMS purchases and Contractor shall have no

responsibility or liability whatsoever therefor, unless such damage or injury to any person or property, including death, is occasioned solely by the Contractor, its employees' or agents' negligent installation and use, operation or intentional misuse of the Contractor's equipment or facilities.

10.4. In accordance with the Contractor's Tariff, neither the Contractor nor its employees or agents, shall be liable for damage or injury to any person or property, including death, occasioned solely by the negligent installation, use, operation or intentional misuse of Contractor's services, equipment or facilities by the Government, its employees or agents.

10.5. The Contractor shall not be liable for incidents arising out of or in any way connected with the violation or compliance with any local, state, or federal environmental law or regulation resulting from pre-existing conditions at a Government job site, release or spill of any pre-existing hazardous materials or waste, or out of the management and disposal of any pre-existing contaminated soils or ground water which was removed from the ground as a result of work performed by the Contractor, unless it can be determined that there was negligence on the part of the Contractor's employees which resulted in willful failure to notify and react to an obvious pre-existing condition.

10.6. The Government agrees to accept full responsibility for and bear all costs associated with pre-existing environmental liability. Responsibility for testing, abatement, remediation, and/or disposal of hazardous material, including, but not limited to, contaminated soil, contaminated groundwater and contaminated surface water and storm water resulting from contact with pre-existing hazardous materials, lead paint, asbestos, polychlorinated biphenyls, fuel oil, or underground fuel oil tanks, shall remain with the Government. Where there is reason to suspect that hazardous material is present at the work site, or where hazardous material is encountered during the course of work being performed, the Contractor shall stop work; notify the Contracting Officer and Activity personnel, and request that the Government test the work site for such hazardous material and appropriately abate and dispose of such hazardous material. Once the work site has been cleared of all hazardous material, the Contractor shall resume work in that area.

ARTICLE 11. ACCESS TO PREMISES

11.1. The Contractor shall have access to the premises served at all reasonable times during the term of this Areawide Contract and at its expiration or termination for the purpose of reading meters, making installations, repairs, or removals of the Contractor's equipment, or for any other proper purposes hereunder; provided, however, that proper military or other governmental authority may limit or restrict such right of access in any manner considered by such authority to be necessary or advisable.

ARTICLE 12. PARTIES OF INTEREST

12.1. This Areawide Contract shall be binding upon and inure to the benefit of the successors, legal representatives, and assignees of the respective parties hereto.

12.2. When the Contractor becomes aware that a change in ownership of the Contractor ("change in ownership" for purposes of this Areawide Contract being defined as a sale of more than fifty percent of the outstanding voting stock of the Contractor) or a change in the name of the Contractor has occurred, the Contractor shall endeavor to notify the Government at the address provided in Article 16.1 within ninety (90) days after the effective date of any such ownership or name change.

ARTICLE 13. REPRESENTATIONS AND CERTIFICATIONS

13.1. This Areawide Contract incorporates by reference the representations and certifications made by the Contractor, on file with the Government, as updated from time to time.

13.2. The offeror represents that the following persons are authorized to negotiate and execute on its behalf with the U.S. Government in connection with this contract: (List names, titles, and telephone numbers of the authorized negotiators):

- 1.
- 2.

ARTICLE 14. SUPPLEMENTAL CLAUSES.

14.1. Clauses and Provisions Incorporated by Reference.

This contract incorporates one or more provisions and contract clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions and clauses may include blanks that must be completed by the contractor and/or require information identified by the Government that must be submitted with Contractor's documentation. In lieu of submitting the full text of those provisions and clauses, the contractor may identify the provision and/or clause by paragraph identifier and provide the appropriate information with it's documentation. Also, the full text of the provisions and clauses may be accessed electronically at this/these address(es):

_____ <http://www.acquisition.gov>_
 _____ <http://www.acqnet.gov>

FAR REF

Federal Acquisition Regulation

- | | | |
|-----|-----------|---|
| 1. | 52.203-3 | GRATUITIES (APR 1984) |
| 2. | 52.203-5 | COVENANT AGAINST CONTINGENT FEES (APR 1984) |
| 3. | 52.203-6 | RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (SEPT 2006) |
| 4. | 52.203-7 | ANTI-KICKBACK PROCEDURES (OCT 2010) |
| 5. | 52.203-8 | CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997) |
| 6. | 52.203-11 | CERTIFICATION AND DISCLOSURE REGARDING PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (SEPT 2007) |
| 7. | 52.203-12 | LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (OCT 2010) |
| 8. | 52.204-4 | PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (MAY 2011) |
| 9. | 52.204-7 | CENTRAL CONTRACTOR REGISTRATION (FEB 2012) |
| 10. | 52.209-6 | PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (DEC 2010) |
| 11. | 52.219-8 | UTILIZATION OF SMALL BUSINESS CONCERNS (JAN 2011) |
| 12. | 52.219-9 | SMALL BUSINESS SUBCONTRACTING PLAN (JAN 2011) |
| 13. | 52.222-3 | CONVICT LABOR (JUNE 2003) |
| 14. | 52.222-21 | PROHIBITION OF SEGREGATED FACILITIES (FEB 1999) |
| 15. | 52.222-26 | EQUAL OPPORTUNITY (MAR 2007) |
| 16. | 52.222-35 | EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (SEPT 2010) |
| 17. | 52.222-36 | AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (OCT 2010) |
| 18. | 52.222-37 | EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (SEPT 2010) |
| 19. | 52.222-38 | COMPLIANCE WITH VETERANS' EMPLOYMENT REPORTING REQUIREMENTS (SEPT 2010) |
| 20. | 52.222-50 | COMBATING TRAFFICKING IN PERSONS (FEB 2009) |
| 21. | 52.223-6 | DRUG-FREE WORKPLACE (MAY 2001) |

22. 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUNE 2008)
23. 52.225-25 PROHIBITION ON ENGAGING IN SANCTIONED ACTIVITIES RELATING TO IRAN – CERTIFICATION (SEP 2010)
24. 52.232-18 AVAILABILITY OF FUNDS (APR 1984)
25. 52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR (APR 1984)⁴
26. 52.232-25 PROMPT PAYMENT (OCT 2008)¹
27. 52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER—CENTRAL CONTRACTOR REGISTRATION (OCT 2003)
28. 52.232-35 DESIGNATION OF OFFICE FOR GOVERNMENT RECEIPT OF ELECTRONIC FUNDS TRANSFER INFORMATION (MAY 1999)^{1,2}
29. 52.232-37 MULTIPLE PAYMENT ARRANGEMENTS (MAY 1999)
30. 52.233-1 DISPUTES (JULY 2002)
31. 52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004)
32. 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION (APR 1984)
33. 52.241-2 ORDER OF PRECEDENCE—UTILITIES (FEB 1995)
34. 52.241-3 SCOPE AND DURATION OF CONTRACT (FEB 1995)⁴
35. 52.241-4 CHANGE IN CLASS OF SERVICE (FEB 1995)
36. 52.241-5 CONTRACTOR'S FACILITIES (FEB 1995)
37. 52.241-6 SERVICE PROVISIONS (FEB 1995)⁴
38. 52.241-12 NONREFUNDABLE, NONRECURRING SERVICE CHARGE (FEB 1995)^{2,3}
39. 52.242-13 BANKRUPTCY (JULY 1995)
40. 52.243-1 CHANGES—FIXED PRICE (AUG 1987)
41. 52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)¹
42. 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 2010)
43. 52.249-4 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM) (APR 1984)
44. 552.241-70 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL YEAR OR QUARTER (SEPT 2010)
45. 552.241-71 DISPUTES (UTILITY CONTRACTS) (AUG 2010)

¹ INDICATES THAT THE CLAUSE APPLIES TO THE ENERGY MANAGEMENT AUTHORIZATION AND ONLY TO THE EXTENT THAT THE CONTRACTING OFFICER OF THE DELIVERY ORDER DETERMINES THAT THE CLAUSE IS NECESSARY FOR EFFICIENT CONTRACT ADMINISTRATION.

² INDICATES THAT THE CLAUSE APPLIES TO THE ELECTRIC SERVICE AUTHORIZATION AND ONLY TO THE EXTENT THAT THE CONTRACTING OFFICER OF THE DELIVERY ORDER DETERMINES THAT THE CLAUSE IS NECESSARY FOR EFFICIENT CONTRACT ADMINISTRATION.

³ THE REFERENCED CLAUSE SHOULD BE INCLUDED IN FULL TEXT IN THE AUTHORIZATION FOR ELECTRIC SERVICE.

⁴ INDICATES THAT THE CLAUSE HAS BEEN INCLUDED WITHIN THE TEXT OF THE AREAWIDE CONTRACT ON A "SUBSTANTIALLY THE SAME" BASIS AS REQUIRED BY SUBPART 41.501(A) OF THE FEDERAL ACQUISITION REGULATIONS

14.2. Repeal of Clauses During Term of Contract.

If, during the term of this Areawide Contract, any of the clauses contained in this Article are repealed, revoked, or dissolved by the Government, then such clauses shall no longer be part of this contract as of the date of such repeal, revocation, or dissolution. The elimination of these clauses by reason of such repeal, revocation, or dissolution shall not affect the continuing validity and effectiveness of the remainder of the Areawide Contract or other clauses referenced in this Article.

14.3. Clauses Incorporated in Full Text.

1. 52.222-40 Notification of Employee Rights Under the National Labor Relations Act.

As prescribed in 22.1605, insert the following clause:

NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (DEC 2010)

(a) During the term of this contract, the Contractor shall post an employee notice, of such size and in such form, and containing such content as prescribed by the Secretary of Labor, in conspicuous places in and about its plants and offices where employees covered by the National Labor Relations Act engage in activities relating to the performance of the contract, including all places where notices to employees are customarily posted both physically and electronically, in the languages employees speak, in accordance with 29 CFR 471.2 (d) and (f).

(1) Physical posting of the employee notice shall be in conspicuous places in and about the Contractor's plants and offices so that the notice is prominent and readily seen by employees who are covered by the National Labor Relations Act and engage in activities related to the performance of the contract.

(2) If the Contractor customarily posts notices to employees electronically, then the Contractor shall also post the required notice electronically by displaying prominently, on any website that is maintained by the Contractor and is customarily used for notices to employees about terms and conditions of employment, a link to the Department of Labor's website that contains the full text of the poster. The link to the Department's website, as referenced in (b)(3) of this section, must read, "Important Notice about Employee Rights to Organize and Bargain Collectively with Their Employers."

(b) This required employee notice, printed by the Department of Labor, may be—

(1) Obtained from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW., Room N-5609, Washington, DC 20210, (202) 693-0123, or from any field office of the Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Provided by the Federal contracting agency if requested;

(3) Downloaded from the Office of Labor-Management Standards Web site at www.dol.gov/olms/regs/compliance/EO13496.htm; or

(4) Reproduced and used as exact duplicate copies of the Department of Labor's official poster.

(c) The required text of the employee notice referred to in this clause is located at Appendix A, Subpart A, 29 CFR Part 471.

(d) The Contractor shall comply with all provisions of the employee notice and related rules, regulations, and orders of the Secretary of Labor.

(e) In the event that the Contractor does not comply with the requirements set forth in paragraphs (a) through (d) of this clause, this contract may be terminated or suspended in whole or in part, and the Contractor may be suspended or debarred in accordance with 29 CFR 471.14 and subpart 9.4. Such other sanctions or remedies may be imposed as are provided by 29 CFR part 471, which implements Executive Order 13496 or as otherwise provided by law.

(f) Subcontracts.

(1) The Contractor shall include the substance of this clause, including this paragraph (f), in every subcontract that exceeds \$10,000 and will be performed wholly or partially in the United States, unless

exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009, so that such provisions will be binding upon each subcontractor.

(2) The Contractor shall not procure supplies or services in a way designed to avoid the applicability of Executive Order 13496 or this clause.

(3) The Contractor shall take such action with respect to any such subcontract as may be directed by the Secretary of Labor as a means of enforcing such provisions, including the imposition of sanctions for noncompliance.

(4) However, if the Contractor becomes involved in litigation with a subcontractor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

(End of clause)

2. 52.241-7 Change in Rates or Terms and Conditions of Service for Regulated Services (FEB 1995)

The items included in Contractor's Tariff are available to the government and any Ordering Agency electronically at the Contractor's website, www.aps.com. In addition, the government and any Ordering Agency may register at the website maintained by the Arizona Corporation Commission, <http://azcc.gov> for each docket opened regarding Contractor for automatic electronic notifications pertaining to that docket. Contractor shall comply with the Commission's regulatory requirements applicable to notifications to Contractor customers for changes to Contractor's Tariff.

(End of clause)

3. The requirements of the Disputes clause at Federal Acquisition Regulation (FAR) 52.233-1 are supplemented to provide that matters involving the interpretation of tariffed retail rates, tariff rate schedules, and tariffed terms provided under this contract are subject to the jurisdiction and regulation of the utility rate commission having jurisdiction.

14.4. State Taxes.

The contract price excludes all State and local taxes levied on or measured by the contract or sales price of the services or completed supplies furnished under this contract. The Government agrees either to pay the amount of the state or local taxes to the Contractor or provide evidence necessary to sustain an exemption from such taxes.

ARTICLE 15. SMALL BUSINESS SUBCONTRACTING PLAN

15.1. Incorporated by reference with respect to Contractor's procurement activity through its Procurement and Contracts business unit is the contents of the Contractor's SUBCONTRACTING PLAN FOR SMALL BUSINESS CONCERNS, SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY & ECONOMICALLY DISADVANTAGED INDIVIDUALS, HUB ZONE BUSINESS CONCERNS, WOMAN OWNED SMALL BUSINESS CONCERNS, VETERAN-OWNED SMALL BUSINESSES CONCERNS AND DISABLED VETERAN-OWNED BUSINESSES negotiated between the Contractor and the Government, which is applicable on a company wide basis pursuant to the requirements of 15 U.S.C. 637(d). The Contractor expressly understands that this subcontracting plan is

an annual plan and hereby agrees to submit a new subcontracting plan by November 30th of each year during the life of this Contract.

15.2. Information and announcements concerning current developments in the GSA Small Business Subcontracting Program are available on the GSA Energy Division web site accessible via <http://www.gsa.gov/energy>.

ARTICLE 16. NOTICES

16.1. Unless specifically provided otherwise, all notices required to be provided to the Government under this Areawide Contract shall be mailed to: U. S. General Services Administration, PBS, Office of Facilities Management and Services Program; Director, Energy Division, 1800 F Street, NW Room 5116, Washington, DC 20405 or via email at energycenter@gsa.gov.

16.2. All inquiries and notices to the Contractor regarding this Areawide Contract shall be mailed to: Manager Supplier Diversity & Development, P.O. Box 53999 M/S8370, Phoenix, AZ 85072-3999 (telephone number 602-250-2340) or Manager Government Program Management Office, P.O. Box 53999 M/S 8995 (telephone number 602-250-5671), or to such other person as the Contractor may hereafter designate in writing.

16.3. The Ordering Agency shall provide GSA with a copy of all fully executed Exhibit "B" Authorizations for EMS including any applicable attachments at the address provided in Article 16.1.

ARTICLE 17. REPORTING

The Contractor shall provide, as prescribed and directed by the Contracting Officer, an annual report on Subcontracting Plan Achievements (contract awards to small businesses), in accordance with the approved subcontracting plan for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals by October 30 of each year during the life of this Areawide Contract. The report shall be submitted electronically utilizing the Small Business Administration's Electronic Subcontracting Reporting System. The website address of the system can be found at <http://www.esrs.gov>.

ARTICLE 18. UTILITY ENERGY SERVICE CONTRACTS

18.1. Applicability of This Article. This Article 18 and its subparts shall only apply if and when Contractor, at its discretion, elects to offer EMS to an Ordering Agency.

18.2. Measurement and Verification: ECM will not be normally considered unless a net overall energy usage or cost reduction can be demonstrated and verified. Verification standards for energy projects are established in the M&V Guidelines: Measurement and Verification for Federal Energy Management Projects, published by the Department of Energy's Federal Energy Management Program (FEMP).

18.3. Unless otherwise provided by law, the following provisions shall apply to EMS:

(a) Payment for ECM, when authorized as an EMS, shall be equal to the direct cost of capital or financing amortized over a negotiated payment term commencing on the date of acceptance of the completed installation;

(b) The payment term for Authorizations involving ECM shall be calculated to enable the Ordering Agency's payment(s) to be lower than the estimated cost savings to be realized from its implementation. In no event, however, shall this term exceed eighty percent (80%) of the useful life of the equipment and material to be installed.

18.4. ECM Subcontracting: The Contractor may perform any or all of its requested services through subcontractors, including its unregulated affiliates. ECM subcontractors shall be competitively selected in accordance with FAR 52.244-5 (Competition in Subcontracting) (DEC 1996) (See [Article 14](#)). Subcontractor selection shall be based on cost, experience, past performance and other such factors as

the Contractor and the Ordering Agency may mutually deem appropriate and reasonably related to the Government's minimum requirements. Upon request by the Government, the Contractor shall make available to the contracting officer all documents related to the selection of a ECM subcontractor. In no event shall the service be provided by subcontractors listed as excluded from Federal Procurement Programs maintained by GSA pursuant to 48 C.F.R. 9.404 in accordance with 52.209-6 (Protecting The Government's Interest When Subcontracting With Contractors Debarred, Suspended, Or Proposed For Debarment (DEC 2010)) (See Article 14).

18.5. For all Authorizations involving ECM, it is desirable to have a Warranty Clause that addresses the specific needs and requirements of the work being performed and equipment that is to be provided by the Contractor, however, in the absence of a Warranty Clause in the Authorization the following language will serve as the default Clause:

If applicable, and to the extent feasible, Contractor shall pass through to the Agency all warranties on equipment installed or provided by it or its subcontractors on Government property with the following representation:

CONTRACTOR ACKNOWLEDGES IF SET FORTH IN THE AUTHORIZATION OR CONTRACT THAT THE UNITED STATES OF AMERICA WILL OWN OR LEASE THE EQUIPMENT AND/OR MATERIALS BEING INSTALLED OR SUPPLIED HEREUNDER, AND, ACCORDINGLY, AGREES THAT ALL WARRANTIES SET FORTH HEREIN, OR OTHERWISE PROVIDED BY LAW IN FAVOR OF CONTRACTOR SHALL INURE, IF APPLICABLE, ALSO TO THE BENEFIT OF THE UNITED STATES OF AMERICA AND THAT ALL CLAIMS ARISING FROM ANY BREACH OF SUCH WARRANTIES OR AS A RESULT OF DEFECTS IN OR REPAIRS TO SUCH EQUIPMENT OR SUPPLIES MAY BE ASSERTED AGAINST A MANUFACTURER DIRECTLY BY THE UNITED STATES.

18.6. The Ordering Agency shall submit to GSA a copy of all preliminary energy audit results or energy conservation measure analysis for review and compliance with Federal regulations and policy. Upon written confirmation of the aforementioned information, the Ordering Agency may negotiate Task Orders with the Affiliate for the implementation of the energy conservation measures described in the preliminary documents. The Ordering Agency shall provide GSA with copies of fully executed Exhibit "B" Authorizations for any Energy Management Service resulting from approved energy audits, including any applicable attachments, at the address provided in Article 16.1.

18.7. Contractor's Responsibilities under Contract for EMS provided under this Contract:

(a) The Contractor shall not provide EMS to Federal facilities under this Agreement unless the facility is a current customer of the Contractor or a prospective customer of the Contractor that is located within a geographic area that the Contractor is authorized to serve.

(b) The work that is to be performed under the EMS contract shall be limited to work resulting in a direct reduction in energy usage (see Article 1.1(i)) and any modifications or repairs that are necessary as a direct result of the installation of the ECM.\

18.8. Guaranteed Savings and Scoring of UESC's by the Ordering Agency(ies):

UESC's that meet the definition of "Energy Management Service" ("EMS") prescribed in Article 1.1(k) of this Areawide Contract, and which follow the guidance prescribed in OMB Memoranda M-12-21 and M-98-13, may be scored for budgetary purposes by the Ordering Agency(ies) on an annual basis if the UESC requires:

- (a) Energy savings performance assurances or guarantees of the savings to be generated by improvements, which must cover the full cost of the Federal investment for the improvements;
- (b) Measurement and verification (M&V) of savings through commissioning and retro-commissioning; and
- (c) Competition or an alternatives analysis as part of the selection process prior to entering into a UESC

ARTICLE 19. MISCELLANEOUS

19.1. Contract administration: The Ordering Agency shall assist in the day-to-day administration of the utility service being provided to it under an Authorization.

19.2. Anti-Deficiency: Unless otherwise authorized by Public Law or Federal Regulation, nothing contained herein shall be construed as binding the Government to expend, in any one fiscal year, any sum in excess of the appropriation made by Congress for that fiscal year in furtherance of the matter of the contract or to involve the Government in an obligation for the future expenditure of monies before an appropriation is made (Anti-Deficiency Act, 31 U.S.C. 1341(a)(1)(A)).

19.3. Obligation to Serve: Nothing contained in this Contract shall obligate the Contractor to take any action which it may consider to be detrimental to its obligations as a public utility.

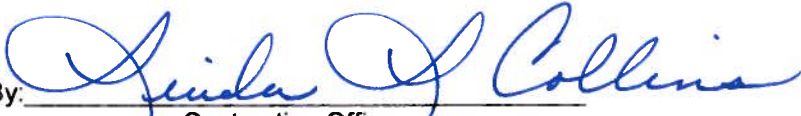
19.4. Term of Authorizations: It is recognized that during the life of this Contract, situations and/or requirements may arise where it may be desirable that the term of service to an Ordering Agency's facility extend beyond the term of this Contract. In such event, the particular Authorization involved may specify a term extending beyond the term of this Contract, provided that it is within the contracting authority of the Ordering Agency and appropriate termination liability provisions have been negotiated between the Contractor and Ordering Agency to address unamortized balances for connection charges and/or financing charges associated with EMS projects.

19.5. Indemnification: Any indemnification language contained in standard form agreements executed between the Ordering Agency and the Contractor shall be binding upon the Federal Government only to the extent authorized by opinions of the Government Accountability Office and the Federal Torts Claims Act.

19.6. Waiver of Sovereign Immunity: Any language contained in standard form agreements executed between the Ordering Agency and the Contractor shall not be construed to waive the federal government's sovereign immunity, and may not be applicable where the federal government's sovereign immunity has not otherwise been waived by statutory law.

IN WITNESS WHEREOF, the parties have executed this contract as of the day and the year first above written.


UNITED STATES OF AMERICA
Acting through the Administrator
of General Services

By: 
Contracting Officer
GSA, PBS, Energy Division


ATTEST:

By: 
GSA, PBS, Energy Division

ARIZONA PUBLIC SERVICE COMPANY

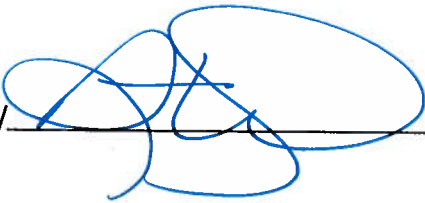
By: 
Title: Vice President, Energy Delivery

ATTEST:

By: 
Title: Rate & Regulatory Consultant

CERTIFICATE

I, Diane Wood, certify that I am Corporate Secretary of ARIZONA PUBLIC SERVICE COMPANY, named as Contractor in the negotiated Areawide Public Utility Contract No. GS-OOP-14-BSD-1052; that Daniel T. Froetscher, who signed said contract on behalf of the Contractor, was then Vice President, Energy Delivery of said Corporation; and that said contract was duly signed for and on behalf of said Corporation and is within the scope of its corporate powers.

/s/ 

(Corporate Seal)

EXHIBIT "A"

Contractor's ID NO. _____ (Optional)
Ordering Agency's ID _____ (Optional)

ARIZONA PUBLIC SERVICE COMPANY
AUTHORIZATION FOR ELECTRIC SERVICE, CHANGE IN ELECTRIC SERVICE,
OR DISCONNECTION OF ELECTRIC SERVICE UNDER
AREAWIDE CONTRACT NO. GS-OOP-14-BSD-1052

Ordering Agency: _____
Address: _____

Pursuant to Areawide Contract No. GS-OOP-14-BSD-1052 between the Arizona Public Service Company ("Contractor") and the United States Government and subject to all the provisions thereof, service to the United States Government under such contract shall be rendered or modified as hereinafter stated.

PREMISES TO BE SERVED: _____
SERVICE ADDRESS: _____

NATURE OF SERVICE: ☐ Connect, ☐ Change, ☐ Disconnect, ☐ Continue Service, ☐ Transmission Service,
☐ Line Extension, Alteration, Relocation, or Reinforcement, ☐ Special Facilities Pursuant to the Contractor's Tariff

OTHER TERMS AND CONDITIONS: _____
Attach any other relevant terms and conditions under which service will be provided.

POINT OF DELIVERY: _____

TERM OF SERVICE: From _____ through _____.

SERVICE HEREUNDER SHALL BE UNDER RATE SCHEDULE NO. _____*, Hereafter amended or modified by the regulatory body having jurisdiction. (see article 5 of this contract.)

ESTIMATED ANNUAL ENERGY USAGE: _____ KWH, ESTIMATED DEMAND: _____ KW

ESTIMATED ANNUAL SERVICE COST: \$ _____
ESTIMATED CONNECTION/SPECIAL FACILITIES CHARGE: \$ _____ (if applicable)**

ACCOUNTING AND APPROPRIATION DATA FOR SERVICE: _____
FOR CONNECTION/SPECIAL FACILITIES CHARGE: _____

CLAUSES INCORPORATED BY REFERENCE (Check applicable clauses) The Contracting Officer of the Task Order shall supplement the following list with clauses from the Federal Acquisition for the specific class of work that is being performed under the Authorization.

- (1) _____ 52.232-35 DESIGNATION OF OFFICE FOR GOVERNMENT RECEIPT OF ELECTRONIC FUNDS TRANSFER INFORMATION (MAY 1999)
(2) _____ 52.241-5 CONTRACTOR'S FACILITIES (FEB 1995)
(3) _____ 52.241-12 NONREFUNDABLE, NONRECURRING SERVICE CHARGE (FEB 1995)

BILLS WILL BE RENDERED TO THE ORDERING AGENCY FOR PAYMENT AT THE FOLLOWING ADDRESS:

_____ in _____ copies.
The foregoing shall be effective upon the return of the fully executed original Authorization by the Contractor to the ordering Agency.

ACCEPTED:

(Ordering Agency)

By: _____
Authorized Signature

Title: _____

Date: _____

Arizona Public Service Company
(Contractor)

By: _____
Authorized Signature

Title: _____

Date: _____

* Include a reference to the applicable rate schedule, and attach a copy of such schedule.

** If necessary, attach and make part hereof supplemental agreements or sheets that cover required connection or extension charges and special facilities or service arrangements. (See Article 5 of this Contract for instructions.)

NOTE:

A fully executed copy of this Authorization shall be transmitted by the ordering Agency to the Energy Division (PMAA), General Services Administration, Washington, DC 20405.

EXHIBIT "B"

Contractor's ID NO. _____
Ordering Agency's ID NO. _____ (Required)

ARIZONA PUBLIC SERVICE COMPANY
AUTHORIZATION FOR ENERGY MANAGEMENT SERVICES
AREAWIDE CONTRACT NO. GS-OOP-14-BSD-1052

Ordering Agency: _____
Address: _____

Pursuant to Areawide Contract No. GS-OOP-14-BSD-1052 between the Arizona Public Service Company ("Contractor") and the United States Government, service to the Government under such contract shall be rendered and subject to all the provisions thereof. The Areawide Contract shall be for a term of ten (10) years, unless otherwise renewed, extended or modified. In the event the Areawide Contract is not renewed at the expiration of the contract term, this Exhibit "B" Authorization shall be cancelled unless it is modified to incorporate the general terms and conditions of the current contract and the term extended to the required contract term.

PREMISES TO BE SERVED: _____

SERVICE ADDRESS: _____

NATURE OF SERVICE: ☐ Preliminary Energy Audit ☐ ECP Feasibility Study ☐ ECP Engineering & Design Study
☐ Energy Conservation Project (ECP) Installation
☐ Demand Side Management (DSM) Project
☐ Other (See Remarks Below)

ALL ENERGY MANAGEMENT SERVICES TO BE PROVIDED BY CONTRACTOR UNDER THIS AUTHORIZATION ARE SUBJECT TO THE AUTHORITY OF THE APPLICABLE STATE REGULATORY COMMISSION HAVING JURISDICTION.

POINT OF DELIVERY: _____

ESTIMATED PROJECT COST: \$ _____

ACCOUNTING AND APPROPRIATION DATA: _____

LIST OF ATTACHMENTS:

<input type="checkbox"/> General Conditions	<input type="checkbox"/> Payment Provisions	<input type="checkbox"/> Special Requirements	<input type="checkbox"/> Economic Analysis
<input type="checkbox"/> Facility/Site Plans	<input type="checkbox"/> Historical Data	<input type="checkbox"/> Utility Usage History	<input type="checkbox"/> ECP Feasibility Study
<input type="checkbox"/> Design Drawings	<input type="checkbox"/> Design Specifications	<input type="checkbox"/> Certifications	<input type="checkbox"/> Commission Schedules

CLAUSES INCORPORATED BY REFERENCE AND MISCELLANEOUS PROVISIONS (Check applicable clauses):

- (1) ☒ 52.204-9 Personal Identity Verification of Contractor Personnel (Sept 2007)
(2) _____ 52.222-54 Employment Eligibility Verification (Jul 2012)
(3) _____ 52.223-4 Recovered Material Certification (May 2008)
(4) _____ 52.223-9 Estimate of Percentage of Recovered Material Content for EPA-Designated Items (May 2008)
(5) _____ 52.223-15 Energy Efficiency in Energy-Consuming Products (Dec 2007)
(6) _____ 52.223-17 Affirmative Procurement of EPA-designated Items in Service and Construction Contracts (May 2008)
(7) ☒ 52.232-25 Prompt Payment (Oct 2008)
(8) ☒ 52.232-35 Designation of Office for Government Receipt of Electronic Funds Transfer Information (May 1999)
(9) ☒ 52.241-8 Change in Rates or Terms and Conditions of Service for Unregulated Services (Feb 1995) (Supersedes the provisions of Article 14.1-53 of the Contract)
(10) _____ 52.244-5 Competition in Subcontracting (Dec 1996)

In addition, the Contracting Officer negotiating the terms and conditions under this Authorization, with written consent from Contractor, may supplement the above-referenced clauses with clauses for the appropriate type of contract.

REMARKS:

ACCEPTED:

(Ordering Agency)

By: _____
Authorized Signature

Title: _____

Date: _____

Telephone No. _____

Arizona Public Service Company
(Contractor)

By: _____
Authorized Signature

Title: _____

Date: _____

Telephone No. _____

NOTE: A fully executed copy of this Authorization shall be transmitted by the ordering Agency to the Energy Division (PMAA), General Services Administration, Washington, DC 20405.

EXHIBIT "D"

Contractor's ID NO. _____ (Optional)

Ordering Agency's ID _____ (Optional)

ARIZONA PUBLIC SERVICE COMPANY

AUTHORIZATION FOR THE PROVISION OF SERVICES PROVIDED UNDER
(insert appropriate Regulatory Authority) _____

AREAWIDE CONTRACT NO. GS-OOP-14-BSD-1052

Ordering Agency: _____

Address: _____

Pursuant to Areawide Contract No. GS-OOP-14-BSD-1052 between Arizona Public Service Company (the "Contractor") and the United States Government and subject to all the provisions thereof (the "Areawide Agreement"), service to the United States Government under such contract shall be rendered or modified as hereinafter stated.

PREMISES TO BE SERVED: _____

SERVICE ADDRESS: _____

NATURE OF SERVICE: _____ [add description of the specific service requested by the Ordering Agency.]

[NOTE: For non-interconnection agreement services: Exhibit D.1 shall be selected in the OTHER TERMS AND CONDITIONS and shall be attached. Exhibit D.2 regarding certain interconnection agreements does not apply to such services and should not be used if no interconnection is involved.]

[NOTE: For interconnection projects or systems that are comprised of 1) distributed generation electrically interconnected (or paralleled) with Contractor's radial distribution system (21 kV or less) or 2) a generator that interconnects to Contractor's transmission system (greater than 21 kV), which is not subject to Contractor's Open Access Transmission Tariff (OATT) (collectively hereafter, "Designated Interconnect Agreements"), and which are entered into between Contractor and Ordering Agency after the effective date of this Areawide Agreement, Exhibit D.2 shall be selected in the OTHER TERMS AND CONDITIONS and shall be attached to the Designated Interconnect Agreements.]

OTHER TERMS AND CONDITIONS:

[Select the appropriate box, as applicable. Describe or attach description]

☐ Exhibit D.1, attached, contains Contractor's terms and conditions for the specific electric service identified above, which may include modifications that have been made by Contractor for the Ordering Agency with the approval, if required, of the Arizona Corporation Commission.

☐ Exhibit D.2, attached, contains provisions pre-negotiated between Contractor and GSA for Designated Interconnect Agreements. The basic terms and conditions will be consistent with those required in Contractor's standard form of interconnect agreement applicable to the specific type of project, as such standard form of agreement may be modified from time to time; provided, however, that such terms and conditions shall contain the Indemnity, Governing Law and Attorney's Fees provisions set forth in the attached Exhibit D.2 (the "Required Provisions"). In the event of any conflict or inconsistency between the Required Provisions and other terms and conditions of a Designated Interconnect Agreement, the Required Provisions shall prevail. Notwithstanding anything herein or in the Areawide Agreement to the contrary, no other terms and conditions of the Areawide Agreement shall apply to the Designated Interconnection Agreements.

TERM OF SERVICE: From _____ through _____

BILLS WILL BE RENDERED TO THE ORDERING AGENCY FOR PAYMENT AT THE FOLLOWING ADDRESS:

_____ in _____ copies.

The foregoing shall be effective upon the return of the fully executed original Authorization by the Contractor to the ordering Agency.

ACCEPTED:

(Ordering Agency)

By: _____
Authorized Signature

Title: _____

Date: _____

ARIZONA PUBLIC SERVICE COMPANY
(Contractor)

By: _____
Authorized Signature

Title: _____

Date: _____

NOTE:

A fully executed copy of this Authorization shall be transmitted by the Ordering Agency to the Energy Division (PMAA), General Services Administration, Washington, DC 20405.

Exhibit D2

The following Indemnity, Governing Law and Attorney's Fees provisions shall be included in any Designated Interconnect Agreement (IA). Capitalized terms used but not defined herein shall have the meanings given to them in APS's standard form of interconnect agreement applicable to the specific type of project, and if a term is not defined therein, it shall be ascribed a meaning consistent with a plain reading of such term.

INDEMNITY

Subject to the provisions of the Federal Tort Claims Act and other applicable federal law, each Party hereby agrees to indemnify the other Party, its officers, agents, and employees for, from and against any and all loss, claims, actions, damages, expenses and liability, of any kind or nature, arising from personal injury (including without limitation, death) of any person other than an employee of the indemnified party, or damage or loss of any tangible third party property, to the extent caused by any willful, wanton or reckless misconduct or any negligent or intentional act or omission, arising out of or resulting from a Party's performance or non-performance under this Agreement. This indemnification shall survive the termination or expiration of this Agreement.

GOVERNING LAW

The terms and conditions of the IA are governed by and interpreted in accordance with federal law and the laws of the State of Arizona where relied on by federal law.

ATTORNEY'S FEES

APS may be eligible to recover attorneys' fees where permitted by Federal law and subject to the procedures of the Contracts Dispute Act.